

Tri-Star Power Ltd.



HALF YEARLY REPORT
DECEMBER 31, 2022 (Un-audited)

Company Information

Board of Directors:	Ms. Shamima Begum	Non-Executive Chairperson
	Mr. Asad Ahmad	Chief Executive
	Mr. Jawed Ahmed Siddiqui	Non-Executive Director
	Mr. Mohammad Zameer	Non-Executive Director
	Mr. M. Haroon Saeed	Non-Executive Director
	Mr. Tanvir Hasan	Non-Executive Director
	Mr. Syed Imran	Independent Director

Auditors: M/s. Feroze Sharif Tariq & Co.
Chartered Accountants

Audit Committee:

Mr. Syed Imran	Chairman
Mr. Jawed Ahmed Siddiqui	Member
Mr. M. Haroon Saeed	Member

Bankers: Bank Al-Habib Ltd.

Registered Office: A/33, Central Commercial Area,
Block 7/8, Main Shahrah-e-Faisal,
KCHSU, Karachi - 75350.

**Shares Registrar /
Transfer Agent:** Hameed Majeed Associates (Pvt) Ltd.
4th Floor, Karachi Chambers,
Hasrat Mohani Road, Karachi.

Plant: F/538, S.I.T.E.,
Karachi-75700

Directors' Report

For the half year ended December 31, 2022

The accounts of Tri-Star Power Ltd., for the half year ended December 31, 2022 are presented herewith.

The suspension of gas supply during the quarter October – December 2022 has badly affected the performance of the Company and the situation has not improved till our writing this report.

On behalf of the Board

Asad Ahmad
Chief Executive

Shamima Begum
Director

Place: Karachi.

Dated: February 27, 2023

REVIEW REPORT ON REVIEW OF INTERIM FINANCIAL STATEMENTS
INDEPENDENT AUDITORS' REVIEW REPORT
TO THE MEMBERS OF TRI-STAR POWER LIMITED

Introduction

We have reviewed the accompanying Condensed interim Statement of financial Position of Tri-Star Power Limited ("the company") as at December 31, 2022 and the related Condensed interim statement of profit or loss and other comprehensive income, Condensed interim Statement of cash flow, Condensed interim statement of changes in equity and the notes to the Condensed interim financial statement for the six months period then ended (hereinafter referred to as the "interim financial statements"). Management is responsible for the preparation and Presentation of these interim financial statements in accordance with approved accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these interim financial statements based on our review. The figures of the condensed interim statement of profit or loss and other comprehensive income for the quarters ended 31 December 2022 and 31 December 2021 have not been reviewed, as we are required to review only the cumulative figures for the half year ended 31 December 2022.

Scope of Review

We conducted our review in accordance with the International Standard on review engagements 2410, "Review of interim financial Information performed by the independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis of qualified Opinion

- a) We have not been able to verify the investment made in units of National Investment Trust (NIT) amounting to Rs. 34,594,845 (2021: 34,594,845) as disclosed in note 5.2 to the financial statements. Further, no provision has been made in the accounts for the NIT investments the recovery and realization of which are doubtful, the same has been explained in Note No. 12.2.1 to the financial statements. Had the provision for doubtful investment been made in the accounts, the losses of the Company would have been increased by Rs. 34,594,845 (2019: 34,594,845) and the Shareholder's Equity would have been decreased by the same amount.
- b) The company has disclosed Investment in Associated Companies First Tri star Modaraba Limited and Tri-Star Energy Limited and as Available for sales investment in note 6.1 to the financial Statements. In our opinion, these investments has to be shown/ valued at equity method in accordance with International Accounting standard 28" Investment in associates". We are unable to quantify the effect of the Tri-Star Power Limited as latest audited accounts are not available as of reporting date.

Had the company valued the investment in First Tri-Star Modaraba on equity method and the impairment would have been recognized, the profit for the year would have been increased by Rs. 147,263 and accumulated Loss would be higher and Shareholders equity and Long term Investment would have been reduced by Rs. 837,447.

Qualified Conclusion

Based on our review, except for the matter discussed in the preceding paragraph (a) and (b) and its effects, nothing has come to our attention that causes us to believe that these accompanying interim financial statements as of and for the six months period ended December 31, 2022 are not prepared, in all material respects, in accordance with approved accounting and reporting standards as applicable in Pakistan for interim financial Reporting.

The engagement partner on the review resulting in this independent auditor's review report is Mohammad Tariq.

sd/-

Feroze Sharif Tariq & Co.

Chartered Accountants

Place Karachi.

Dated: February 27, 2023

UDIN no. AR202210129rgAe06vGM

**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)
AS AT DECEMBER 31, 2022**

	(Un-audited) Dec 31, 2022	(Audited) June 30, 2022
	Notes	
	(Rupees)	
<u>EQUITY AND LIABILITIES</u>		
<u>CAPITAL & RESERVES</u>		
<u>Authorized Capital</u>		
15,000,000 (2022: 15,000,000) Ordinary Shares of Rs. 10/- each	150,000,000	150,000,000
Issued, Subscribed and Paid-up Capital	150,000,000	150,000,000
Capital Reserve		
Capital Reserve - (a Share Premium account)	70,000,000	70,000,000
Revenue Reserve		
Unrealized gain / (loss) due to change in fair value of investment through other Comprehensive Income	280,400	(1,402,000)
Accumulated (Loss)	(27,219,923)	(31,696,200)
Shareholders Equity	193,060,477	186,901,800
<u>CURRENT LIABILITIES</u>		
Trade and Other Payables	4,815,193	4,770,253
Unclaimed Dividend	5,025,285	5,025,285
Provision for taxation	5,776,619	4,357,850
	15,617,097	14,153,388
Contingencies and Commitments		
	208,677,574	201,055,188
<u>ASSETS</u>		
<u>NON-CURRENT ASSETS</u>		
Tangible Fixed Assets		
Property, Plant and Equipments	3,358,636	3,535,438
Long Term Investments	5 78,585,245	76,902,845
Long term Loan to Related Party	6 20,000,000	20,000,000
<u>CURRENT ASSETS</u>		
Stores, Spares and Loose Tools	70,649	356,349
Trade Debtors - unsecured	46,470,930	40,000,930
Interest Receivable from Related Party	3,002,740	2,000,000
Advance Deposits and Prepayments - Considered good	11,075,000	11,495,600
Income Tax Refunds and Advances	2,304,275	2,241,185
Cash and Bank Balances	43,810,099	44,522,840
	106,733,693	100,616,904
	208,677,574	201,055,187

The annexed notes form an integral part of these accounts.

Asad Ahmad
Chief Executive

Shamima Begum
Director

Mohammad Zameer
Chief Financial Officer

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)

FOR THE HALF YEAR ENDED DECEMBER 31, 2022

	Cumulative upto December 2022	Cumulative upto December 2021	Quarter Oct. - Dec. 2022	Quarter Oct. - Dec. 2021
Notes	Rupees	Rupees	Rupees	Rupees
Lease Rental	6,079,644	6,870,000	3,039,822	3,435,000
Cost of Sales	(980,571)	(1,401,351)	(467,941)	(817,355)
Gross Profit	<u>5,099,073</u>	<u>5,468,649</u>	<u>2,571,881</u>	<u>2,617,645</u>
<u>Operating Expenses</u>				
Administrative and General Expenses	(206,411)	(360,182)	(120,130)	(236,911)
	<u>4,892,662</u>	<u>5,108,466</u>	<u>2,451,751</u>	<u>2,380,734</u>
Financial Expenses	(355)	(190)	(155)	(190)
	<u>4,892,307</u>	<u>5,108,276</u>	<u>2,451,596</u>	<u>2,380,544</u>
Other Income	<u>1,002,740</u>	<u>1,008,219</u>	<u>498,630</u>	<u>504,110</u>
	5,895,047	6,116,496	2,950,226	2,884,654
Taxation	(1,418,769)	(1,665,381)	(710,963)	(1,665,381)
Net Profit for the year	<u><u>4,476,278</u></u>	<u><u>4,451,115</u></u>	<u><u>2,239,263</u></u>	<u><u>1,219,273</u></u>
Earning Per Share - Basic	<u><u>0.30</u></u>	<u><u>0.18</u></u>	<u><u>0.15</u></u>	<u><u>0.08</u></u>

The annexed notes form an integral part of these accounts.

Asad Ahmad
Chief Executive

Shamima Begum
Director

Mohammad Zameer
Chief Financial Officer

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)

FOR THE HALF YEAR ENDED DECEMBER 31, 2022

	Half year ended		Quarter ended	
	Dec 31, 2022	Dec 31, 2021	Dec 31, 2022	Dec 31, 2021
	(Rupees)		(Rupees)	
Profit for the Year	4,476,278	4,451,115	2,239,263	1,219,273
Other comprehensive Income:				
Unrealized gain / (loss) due to change in fair value of investment through other Comprehensive Income	1,682,400	(455,650)	3,357,790	911,300
Total comprehensive Income for the period	6,158,678	3,995,465	5,597,053	2,130,573

The annexed notes form an integral part of this condensed interim financial information.

Asad Ahmad
Chief Executive

Shamima Begum
Director

Mohammad Zameer
Chief Financial Officer

CONDENSED INTERIM STATEMENT OF CASH FLOW (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2022

	December 31, 2022	December 31, 2021
	(Rupees)	
<u>CASH FLOW FROM OPERATING ACTIVITIES</u>		
Profit/(Loss) before Taxation	5,895,047	6,116,496
<u>Adjustment for Non-Cash and Other Items:</u>		
Depreciation	176,802	196,455
Financial Expenses	355	190
	177,157	196,645
	6,072,204	6,313,140
<u>Working Capital Changes</u>		
<i>(Increase) / Decrease in Current Assets</i>		
Stores and Spares	285,700	365,000
Trade debtors	(6,470,000)	(7,263,100)
Advances, Deposits and Prepayments	420,600	--
Interest Receivable from Related Party	(1,002,740)	12,660,822
Trade Deposits		(11,000,000)
<i>Increase / (Decrease) in Current Liabilities</i>		
Trade and Other Payables	44,940	145,761
	(6,721,500)	(5,091,517)
Taxes Paid	(63,090)	(2,050,356)
Financial charges Paid	(355)	(190)
	(63,445)	(2,050,546)
<i>Net Cash Inflow/ (Outflow) from Operating Activities</i>	(712,741)	(828,923)
CASH FLOW FROM FINANCING ACTIVITIES		
Loan recovered from Related Party	--	--
	(712,741)	(828,923)
Net Increase in Cash and Cash Equivalents	44,522,841	44,509,984
Cash and Cash Equivalents at the Beginning	43,810,100	43,681,061
Cash and Cash Equivalents at the End	43,810,100	43,681,061

The annexed notes form an integral part of these accounts.

Asad Ahmad
Chief Executive

Shamima Begum
Director

Mohammad Zameer
Chief Financial Officer

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2022

	Capital Reserve		Revenue Reserve		Total
	Share Capital	Capital Reserve	Unrealized gain / (loss) due to change in fair value of investment through other Comprehensive Income	Unappropriated Profit/Accumulated (Loss)	
Balance as on June 30, 2021	150,000,000	70,000,000	1,366,950	(37,679,568)	183,687,383
Net Profit for the year ended December 2021	--	--	--	1,498,905	1,498,905
Other Comprehensive income	--	--	(1,366,950)	--	(1,366,950)
Total Comprehensive income	--	--	(1,366,950)	1,498,905	131,955
Balance as on December 31, 2021	150,000,000	70,000,000	-	(36,180,663)	183,819,338
Balance as on June 30, 2022	150,000,000	70,000,000	(1,402,000)	(31,696,201)	186,901,800
Net Profit for the year ended December 2022	--	--	--	4,476,278	4,476,278
Other Comprehensive income	--	--	1,682,400	--	1,682,400
Total Comprehensive income	--	--	1,682,400	4,476,278	6,158,678
Balance as on December 31, 2022	150,000,000	70,000,000	280,400	(27,219,923)	193,060,478

The annexed notes form an integral part of these accounts.

Asad Ahmad
Chief Executive

Shamima Begum
Director

Mohammad Zameer
Chief Financial Officer

CONDENSED INTERIM NOTES TO THE ACCOUNTS (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2022

1 Corporate Information

Tri-Star Power Limited (the Company) was incorporated in Pakistan, as a public limited company on September 27, 1993 under the Companies Ordinance, 1984 (Repealed with the enactment of the Companies Act, 2017 on May 30, 2017) and its shares are listed in the Pakistan Stock Exchange in Pakistan. The Principal activity of the Company is to generate, distribution and Supply of Electricity and Power Generation Plant on Rent basis to the Customers.

- 1.1 From July 1, 2021 the Company entered into Rental agreement with Related Party Image Pakistan Limited to Provide Power Plant on Rental basis which is already installed in the Premises of the said Company.

The geographical Location and address of the company's business units, including mill/plant are as under:

The registered office of the company is located at A/33, Central Commercial Area, Block 7/8, KCHSU, Main Shahrah-e-Faisal, Karachi

The Generation facility is located at F/538, S.I.T.E., Karachi - 75700, Pakistan, which is not the Property of the company the same premises obtained from Related Party of the Company to install the Plant.

2 Statement of Compliance

These condensed interim financial statements of the Company for the six months ended 31 December 2022 have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards applicable in Pakistan for interim financial reporting comprise of International Accounting Standard (IAS) 34, "Interim Financial Reporting", issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017 and provisions of and directives issued under the Companies Act, 2017. Where provisions of and directives issued under the Companies Act, 2017 differ from the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

3 BASIS OF PREPARATION

These condensed interim financial Statements are unaudited but subject to limited scope review by the statutory auditors as required under section 237 of the Companies Act 2017. These condensed interim financial Statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the financial statements of the company for the year ended.

The figures of the condensed interim Statement of profit or loss and condensed interim statement of Comprehensive income for the quarter ended December 31, 2021 and December 31, 2022 and the notes forming part thereof have not be reviewed by the statutory auditors, as they are required to review only the cumulative figures of the half year ended December 31, 2022.

3.1 New standards, amendments to approved accounting standards and new interpretations

- 3.1.1 Amendments to approved accounting standards which are effective during the year ending June 30, 2023

There are certain amendments to approved accounting standards which are mandatory for accounting periods beginning on or after July 1, 2022 but are considered not to be relevant or have any significant effect on the Company's financial reporting.

- 3.1.2 New standards and amendments to approved accounting standards that are effective for the Company's accounting periods beginning on or after July 1, 2023

There is a new standard and certain amendments to approved accounting standards that will be mandatory for accounting periods beginning on or after July 1, 2023 but are considered not to be relevant or expected to have any significant effect on the Company's financial reporting.

4 **SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES**

The accounting policies and methods of computation adopted and applied in the preparation of these condensed interim financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended

		Dec 31, 2022	June 30, 2022
		(RUPEES)	
5	INVESTMENTS		
	Related Parties - at fair value through other Comprehensive income		
	- Quoted equity securities - regular market trade 5.1	43,990,400	42,308,000
	Others marketable securities - At Cost 5.2	<u>34,594,845</u>	<u>34,594,845</u>
		<u>78,585,245</u>	<u>76,902,845</u>
5.1	Related Parties - at fair value through other Comprehensive income		
	Cost	43,710,000	43,710,000
	Unrealized Gain/(Loss) due to Change in the value of	<u>280,400</u>	<u>1,402,000</u>
		<u>43,990,400</u>	<u>45,112,000</u>
5.2	Others marketable securities - At Cost		
	N.I.T. units	34,594,845	34,594,845
		<u>34,594,845</u>	<u>34,594,845</u>

In, September 1996, the Income Tax Authorities raided the Company's premises and took away, by force, all the records, documents, and valuable securities, including FEBC's/Bearer NIT units of all the Group companies, which included the bearer NIT units of the company; without lawful authority and without making any inventory. This raid caused a serious disruption in the company's business. The company has filed a suit against the Income Tax Authorities in the Honorable High Court of Sind, challenging the said act as being illegal. The Honorable High Court of Sind, vide its Order dated July 31, 1998, held that the presence of irregularities and malafides in the act of the Income Tax Department cannot be ruled out. Further, the remaining two ingredients namely balance of convenience and causing irreparable loss and injury, also exists in favor of the company. Further, the Income Tax Department was directed to submit their report keeping in view the provisions of Section 146(c) of The Income Tax Ordinance, 1979, declaring how much more time they would need to return the impounded documents and records. The matter is now in evidence stage.

The above investment of the company was illegally removed by the officials of the Income tax department at the time of conducting raid at the company's premises which has not yet been returned. Consequently the same remain to be updated and could also not be made available to the auditors for physical verification.

6	Loan to Related Party	<u>20,000,000</u>	<u>20,000,000</u>
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As per the Agreement the above loan are unsecured and interest bearing @ 10% (June 30, 2022:12%) per approx annum. The above loans give the Related Parties to meet the working Capital requirements of the Related Party.

		Dec 31, 2022	Dec 31, 2021
		(RUPEES)	
7	Rental Income on Generator	6,870,000	6,870,000
	Less: Sales Tax	<u>(790,356)</u>	<u>-</u>
		<u>6,079,644</u>	<u>6,870,000</u>

8 **CORRESPONDING FIGURES**

In order to comply with the requirements of International Accounting Standard 34 "Interim Financial Reporting", statement of financial position has been compared with the balances of annual financial statements, whereas statement of profit or loss, statement of comprehensive income, statement of cash flows and statement of changes in equity have been compared with the balances of comparable period of immediately preceding financial year.

9 **Date of Authorization for issue**

These financial statements were authorized for issue on February 27, 2023 by the Board of Directors of the Company.

10 **General**

Figures have been rounded off to the nearest Rupee unless otherwise specified.

Asad Ahmad
Chief Executive

Shamima Begum
Director

Mohammad Zameer
Chief Financial Officer